

# ***City of Argonia, Kansas***

## **Annual Financial Report**

*December 31, 2011*

### *Governing Body*

Alan Brundage, Mayor  
Mary Beth Bookless  
Bob Burns  
Ron Kenney  
Natalie Kollmeyer  
Joyce Reynolds

### *City Clerk*

Janet Etheridge

### *City Treasurer*

Richelle Green

### *Independent Auditor*

Kenneth L Cooper Jr CPA, Chtd  
Certified Public Accountant  
*Wellington, Kansas*

***City of Argonia, Kansas***  
**Statutory Basis Financial Statement**  
*Year Ended December 31, 2011*

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KENNETH L COOPER JR CPA, CHTD  
*Certified Public Accountant*

Independent Auditor's Report

To the Honorable Mayor and City Council  
City of Argonia  
Argonia, Kansas

I have audited the summary statement of cash receipts, expenditures, and unencumbered cash balances of Argonia, Kansas, as of and for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. My responsibility is to express an opinion on the financial statement based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The financial statement does not include financial data for the City's discretely presented component unit. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the City's primary government unless the City also issues financial statements for the financial reporting entity that include the financial data for its component units. The City has not issued such reporting entity financial statements. Because of this departure from accounting principles, the cash and unencumbered cash, revenues received and expenditures incurred by the aggregate discretely presented component units have been omitted from the statement, and although not reasonably determinable, are presumed to be material.

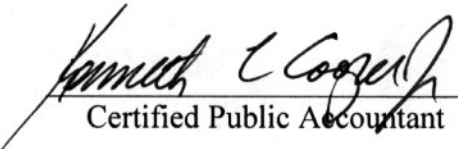
As described more fully in Note 1, the City has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effects on the financial statement of the variances between these statutory practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In my opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of The City of Argonia, Kansas as of December 31, 2011, or the respective changes in financial position and changes in cash flows, were applicable, for the year then ended.

In my opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of Argonia Kansas as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note 1.

My audit was conducted for the purpose of forming an opinion on the financial statement. The summary of expenditures-actual and budget, and the individual fund schedules of cash receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for analysis and are not a required part of the statutory financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statement as a whole.

The 2010 Actual columns presented in the individual fund schedules of cash receipts and expenditures-actual and budget, (Schedule 2 as listed in the table of contents) are also presented for comparative analysis and are not a required part of the 2010 financial statements upon which I rendered an unqualified opinion dated August 29, 2011. The 2010 financial statements and my accompany report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link <http://da.ks.gov/ar/muniserv/>. Such 2010 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statements. The 2010 comparative information was subjected to the auditing procedures applied in the audit of the 2010 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2010 financial statements or to the 2010 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the 2010 comparative information is fairly stated in all material respects in relation to the 2010 financial statements as a whole.

  
Certified Public Accountant

June 27, 2012

***City of Argonia, Kansas***  
**Summary of Cash Receipts, Expenditures and Unencumbered Cash**  
*For the Year Ended December 31, 2011*

	Beginning Unencumbered Cash Balance	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Outstanding Encumbrances/ Accounts Pay.	Ending Cash Balance
<u>Funds</u>						
General	\$ 71,157	\$ 211,078	\$ 204,217	\$ 78,018	\$ 3,806	\$ 81,824
Special Revenue Funds:						
Special Highway	44,511	12,644	38,255	18,900		18,900
Equipment Reserve	113,368	5,000	43,224	75,144	-	75,144
Vera M Linn Cemetery						
Memorial Fund	70,054	874	874	70,054	-	70,054
Park Trust	5,411	8,626	7,871	6,166	-	6,166
Cemetery Building	2,312	11	-	2,323	-	2,323
Argonia Daze	-	4,443	695	3,748	-	3,748
Debt Service Funds:						
Bond & Interest	22,053	38,319	37,420	22,952	-	22,952
Capital Project Funds:						
Capital Improvements	64,178	5,000	-	69,178	-	69,178
Sewer Improvement Fund	-	134,095	105,400	28,695	-	28,695
Enterprise Funds:						
Water and Sewer Utility	85,172	295,546	154,474	226,244	1,545	227,789
Gas Utility	63,754	197,666	201,455	59,965	25,760	85,725
Ambulance	21,510	43,034	55,174	9,370	312	9,682
Cemetery	11,051	14,198	6,336	18,913	243	19,156
Solid Waste Utility	7,975	44,976	49,096	3,855	3,210	7,065
Total primary government	\$ 582,506	\$ 1,015,510	\$ 904,491	\$ 693,525	\$ 34,876	\$ 728,401

***City of Argonia, Kansas***  
**Summary of Cash Receipts, Cash Disbursements and Unencumbered Cash**  
*For the Year Ended December 31, 2011*

Composition of Cash Balance:

Cash on hand, city Clerk	\$ 150
Cash in checking account:	
Farmers & Merchants State Bank, Argonia	
Operating account	496,286
Cemetery Building account	2,322
Argonia Daze account	3,748
Sewer Improvement account	28,695

Certificates of Deposit

Farmers & Merchants State Bank, Argonia:

	<u>Rate</u>	<u>Maturity</u>	
CD #22718	0.350%	03/18/2012	5,000
CD #22719	0.350%	03/18/2012	5,000
CD #7731	1.500%	03/10/2013	5,000
CD #7733	1.500%	03/10/2013	5,000
CD #22173	0.650%	10/03/2013	2,200
CD #6886	2.250%	12/01/2012	5,000
CD #21830	0.450%	07/24/2012	100,000
CD #23588	0.450%	03/14/2012	70,000
Total Certificates of Deposit			<u>197,200</u>

Total primary government	<u>\$ 728,401</u>
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***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**1. Summary of Significant Accounting Policies**

The City has established a uniform system of accounting maintained to reflect compliance with the applicable laws of the State of Kansas.

**Reporting Entity**

The City of Argonia is a municipal corporation operating under a Mayor-Council form of government. It provides the following services: Public Safety-Police, Volunteer Fire and Emergency Medical Services, Highways and Streets, Public Improvements, Utilities-Gas, Water, Sewer, Refuse, and General Administrative Services. The City receives funding from local, state, and Federal governmental sources and must comply with the restrictions of these funding sources. However, the City is not included in any other reporting entity since the Mayor and Council are elected by the public and have decision making authority.

Under Governmental Accounting Standards Board (GASB) Statement 14, the City has a component unit which under the statement would be included in the reporting entity. The public housing commission operates subsidized public housing and is governed by an appointed board of commissioners. The City has elected not to include the financial statements of the housing board in this report.

**Budgets**

Applicable Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless exempted by a specific statute), debt service funds and enterprise funds. All budgets are prepared utilizing the modified accrual basis further modified by the encumbrance method of accounting – that is, commitments evidenced by documents such as purchase orders and contracts, in addition to disbursements and accounts payable, are recorded as expenditures.

The statutes provide for the following sequence and timetable in adoption of budgets:

- a. Preparation of budget for the succeeding calendar year on or before August 1<sup>st</sup>.
- b. Publication in local newspaper on or before August 5 of the proposed budget and notice of public hearing on the budget.
- c. Public hearing on or before August 15<sup>th</sup>, but at least ten days after publication of notice of hearing.
- d. Adoption of final budget on or before August 25<sup>th</sup>

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no such budget amendments for this year.

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**1. Summary of Significant Accounting Policies (continued)**

Budgets (continued)

Kansas statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using statutory basis of accounting as described below. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special revenue funds – special law enforcement, municipal judge training, municipal equipment reserve and fire insurance fund.

Spending in funds which are not subject to the legal annual operating budget requirement are controlled by federal regulations, other statutes, or by use of internal spending limits established by the governing body.

Reimbursements

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund. For purposes of budgetary comparisons, the budget has been adjusted when necessary to show compliance with the budget law.

Statutory Basis of Accounting

The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and an expenditure would be charged in the fund from which the transfer is made.



***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**1. Summary of Significant Accounting Policies (continued)**

**Departure from Generally Accepted Accounting Principles**

The basis of accounting described above results in a financial statement presentation which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories, and prepaid expense, liabilities such as deferred revenue and matured principal and interest payable, and reservations of the fund balance are not presented. Under generally accepted accounting principles, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year end do not constitute expenditures or liabilities. Consequently, the expenditures as reported may not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. General fixed assets that account for the land, buildings, and equipment owned by the municipality are not presented in the financial statements. Also, general long-term debt such as general obligation bonds, temporary notes, and compensated absences are not presented in the financial statements.

The City has passed a charter ordinance permanently exempting itself from reporting based on generally accepted accounting principles, instead choosing to report on this statutory basis of accounting, and also annually adopts a resolution exempting itself.

**Cash Equivalents**

Idle funds are invested in certificates of deposit and in a commercial bank money market fund. These cash equivalents are stated at cost, which approximates market value.

Cash balances in all funds are considered in determining the amount to be invested, and unless specifically designated, investment income should be apportioned to the various funds in the ratio of funds invested. In 2010 and 2011, investment income was primarily apportioned to the general fund, except for some interest allocated to three other funds.

**Property Taxes and Other Receivables**

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities with the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year and property taxes are recognized when received.

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**1. Summary of Significant Accounting Policies (continued)**

Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Federal and State grant aid is reported as revenue when the related reimbursable expenditures are incurred. Unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

Licenses, franchises, fees, fines, penalties, charges for services and other revenues are recorded when received in cash.

**Investments**

Investments, consisting entirely of certificates of deposit, are carried at cost, which approximates market value.

**General Fixed Assets**

The City does not record capital fixed assets, such as land, building and equipment, in the general fixed assets account group, as required by generally accepted accounting principles. The disbursements for the purchase of these assets are considered as expenditures and no record of the fixed assets is reflected in the financial statements.

**Special Assessments**

Projects financed in part by special assessments are financed through the issuance of general obligation bonds, which are secured by the full faith and credit of the City and are retired from the City's debt service fund. Further, state statutes permit the levying of additional general ad valorem property taxes in the City's debt service fund to finance delinquent special assessments receivable. Consequently, special assessments receivable are accounted for within the debt service fund. Special assessment taxes are levied over a ten or fifteen year period and the annual installments are due and payable with annual ad valorem property taxes. The City may foreclose liens against property benefited by special assessments when delinquent assessments are two years in arrears. The City had no special assessment bonds outstanding in 2010 or 2011.

**Lease Obligations**

Long-term leases are not generally capitalized unless the terms of the lease include an option to purchase at such a price the payments made on the lease clearly represent the purchase of an economic interest.

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**1. Summary of Significant Accounting Policies (continued)**

Compensated Absences

All employees earn vacation at the rate of five days after one year of service, ten days after two years of service and fifteen days after five years of employment. Unused vacation at each December 31<sup>st</sup> carries over to the next December 31<sup>st</sup>, then expires. Upon termination or resignation from service with the City, employees are entitled to payment for all accrued vacation earned prior to termination or resignation. All employees on permanent status earn personal leave at the rate of one calendar day per month with a 30-day maximum accumulation. Upon termination or resignation, no payment is made for any unused personal leave and one-half earned sick leave. There are no other post-employment benefits for employees.

Pension Plan

The City has established a defined contribution SIMPLE retirement plan as permitted and defined by IRS code and regulations. All employees who have earned at least \$5,000 in the previous two calendar years and expect to earn \$5,000 in the current year are eligible to participate. The IRS specifies the payment of employee and employer contributions.

Risk Management

The City generally covers its risk of loss with insurance coverage. There have not been any claims in the past three years in excess of the amount of insurance.

Other Post Employment Benefits

The City does not maintain a group health insurance plan for its employees or retirees, nor does it have any other post-employment benefits.

**2. Fund Descriptions**

In governmental accounting, a fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. The following types of funds comprise the financial activities of the City for the year 2011:

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**2. Fund Descriptions (continued)**

**Governmental Funds**

*General Fund* is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are restricted, by law or administrative action, to expenditure for specified purposes.

*Debt Service Funds* are used to account for the accumulation of resources for, and the payment of, interest and principal on general long-term debt, and the financing of special assessments which are general obligations of the City.

*Capital Project Funds* are used to account for financial resources segregated for the acquisition of major capital facilities (other than those financed by enterprise funds).

*Enterprise Funds* are used account for operations that are financed and operated in the manner similar to private business enterprises - where the stated intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges - or where periodic determination of revenues collected, expenses paid and encumbered, and/or net income is deemed appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

*Fiduciary Funds* are used to account for assets held by the City in a trustee capacity or as an agent for others. These include expendable trust funds, nonexpendable trust funds and agency funds. Expendable trust funds are accounted for in essentially the same manner as governmental funds. Nonexpendable trust funds are accounted for in the same manner as proprietary funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**3. Cash and Cash Equivalents**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no investment policy that would further limit interest rate risk.

**City of Argonia, Kansas**  
**Notes to Financial Statement**  
*December 31, 2011*

**3. Cash and Cash Equivalents (continued)**

K.S.A. 12-1675 limits the City's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; US government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The rating of the City's investments is noted above.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not designate any peak periods in 2011. All deposits were legally secured at December 31, 2011.

**4. Long-Term Debt**

Issue	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance 12/31/2011
<b>General Obligation Bonds</b>								
Series 2005 GO Water Distrib. Sys	2.3-4.5%	3/1/2005	500,000.00	9/1/2025	\$ 405,000	\$ -	\$ 20,000	\$ 385,000
<b>Temporary Notes</b>					-	-	-	-
<b>Other Debt</b>								
Revolving Loan KWPCRLF	2.55%	9/24/2010	907,256.00	9/1/2032	\$ -	\$ 134,087	\$ -	\$ 134,087
<b>Capital Leases</b>								
Pickup					\$ 5,156		\$ 5,156	\$ -
Police Car	6	11/3/2009	15,000.00	11/3/2014	12,339	-	12,339	-
					\$ 17,495	\$ -	\$ 17,495	\$ -
<b>Compensated Absences</b>					\$ 7,524	\$ -	\$ 26	\$ 7,498
Total					\$ 430,019	\$ 134,087	\$ 37,521	\$ 526,585

**Schedule of Maturity of Long-Term Debt**

*December 31, 2012*

	2012	2013	2014	2015	2016	2017-2021	2022-2026	2027-2031	2032-2036	Totals
<b>Principle</b>										
General Obligation Bonds	20,000	20,000	20,000	25,000	25,000	140,000	135,000	-	-	385,000
Revolving Loan KWPCRLF	-	35,280	36,186	37,114	38,067	205,498	233,254	264,760	57,097	907,256
	20,000	55,280	56,186	62,114	63,067	345,498	368,254	264,760	57,097	1,292,256
<b>Interest</b>										
General Obligation Bonds	15,548	14,868	14,168	13,448	12,523	47,630	15,495	-	-	133,680
Revolving Loan KWPCRLF	-	22,912	22,006	21,078	20,125	85,461	57,705	26,199	1,093	256,579
	15,548	37,780	36,174	34,526	32,648	133,091	73,200	26,199	1,093	390,259

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**4. Long-Term Debt (continued)**

The Revolving loan KWPCRLF has only been partially advanced as of December 31, 2012, in the amount of \$134,087. The schedule of payments for this loan as shown in the above table have been estimated based on the loan being fully disbursed.

**5. Pension Plan**

The City established a SIMPLE retirement plan July 1, 1997. A SIMPLE is a defined contribution plan under the Internal Revenue Code where employees may elect to reduce their salary and for 2011 contribute up to \$11,500 per year into the plan. The City chooses to match employee contributions up to a maximum of 3% of compensation or to contribute 2% for all eligible employees regardless of the employee's contribution. For 2011 and 2010 the City chose to match employee contributions up to 3% of compensation. Employer contributions were \$5,024 and \$3,773 in 2011 and 2010, respectively.

**6. Capital Projects Fund**

Capital project authorizations with approved change orders compared with cash disbursements and accounts payable from inception are as follows:

	<u>Project Authorization</u>	<u>Cash Disbursements and Accounts Payable to Date</u>
Sewer Improvement Fund	\$907,256	\$105,399

**7. Interfund Transfers**

Operating transfers in 2011 were:

Solid Waste	Capital Improvement	5,000
Solid Waste	Equipment Reserve	5,000
Water & Sewer	Bond & Interest	20,000
Vera Linn Memorial	Cemetery	874

**8. Contingencies**

Litigation

The City is a party to various legal proceedings that normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. While the outcome of these proceedings cannot be predicted, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City. There were no pending proceedings as of December 31, 2011.

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2011*

**8. Contingencies (continued)**

**Grant Program Involvement**

In the normal course of operations, the City participates in various federal or state grant programs from year to year. The programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**9. Utility Improvement Projects in Progress**

**Water Treatment Plant**

In August of 2008, the City received notice from the Kansas Department of Health and Environment (KDHE) that its well water supply exceeded the maximum contaminant level for nitrate and arsenic. KDHE directed the city that it must either join another community's water treatment project or start the construction of their own treatment facility. The regional plan has now failed and the City now expects to have their own individual project. The expected cost is expected to exceed \$1,000,000, which would require a significant increase in water rates.

**Wastewater Treatment Plant Improvements**

The City's current wastewater facility is experiencing capacity and operational problems. KDHE has issued a compliance order for the City to conduct a facility plan and develop a schedule of compliance to bring the lagoon facility to a level that meets the permit limits. This study has been completed and recommendations for improvements have been made. The City started to draw on the State's Revolving Loan Program during 2011 to start paying for the expenses related to this project. Total estimated cost for the project is \$907,256 plus debt related interest.

**10. Vera M. Linn Memorial Endowment**

During 1995, the City was notified that it was the beneficiary of a bequest from the Vera M. Linn Estate. The total bequest was \$69,685.16. The terms of the Last Will and Testament of Vera M. Linn state that funds be deposited in "...the perpetual care fund of Argonia Cemetery, Argonia, Kansas, and request that the income therefrom be used annually for Memorial Day flowers and the upkeep for the graves of the descendants of George Linn and Charles Ford in said Cemetery. " The City maintained the endowment as required in 2011.

# *City of Argonia, Kansas*

## **Notes to Financial Statement**

*December 31, 2011*

### **11. Compliance with Finance-Related Legal and Contractual Provisions**

- Encumbrance Records and Record of Unencumbered Budget Balance The clerk did not maintain the required encumbrance records, in accordance with K.S.A. 10-1117 and was therefore unable to maintain accounts required under K.S.A. 79-2934 showing the unencumbered budget balance of each fund, except at year end.
- Treasurer's Fund Record K.S.A. 10-1118 requires that the treasurer of every municipality keep records to show the amount of money in each fund. The Clerk at the City of Argonia maintains such records, but the Treasurer does not maintain independent fund records.
- Encumbrance Records K.S.A. 79-2934 provides that "the clerk shall open and keep an account of each fund showing the total amount appropriated for each fund and shall charge such appropriation with the amount of any indebtedness created at the time such indebtedness is incurred." The City's records show the amount of funds disbursed and remaining budget balance, but do not reflect encumbrances, with is what is meant by the "amount of indebtedness created at the time such indebtedness is incurred".
- Annual Report by Treasurer K.S.A. 12-1608 requires the treasure of third class cities shall file an annual statement showing the total amount received into each fund, the total amount expended from each fund, and the cash balances of each fund at the beginning and close of each year. The two funds created in 2011, Argonia Daze and Sewer Improvement, and an existing fund, Cemetery Building were not included in this reporting.

### **12. Subsequent Events**

Subsequent events have been evaluated through June 27<sup>th</sup>, 2012, which is the date the financial statements were available to be issued. Events requiring disclosure were identified and disclosed.



***City of Argonia, Kansas***  
**Summary of Expenditures--Actual and Budget**  
*(Budgeted Funds Only)*  
*For the Year Ended December 31, 2011*

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Favorable/ (Unfavorable)</u>
General	\$ 304,145	\$ -	\$ 304,145	\$ 204,217	\$ 99,928
Special Revenue Funds					
Special Highway	51,419	-	51,419	38,255	13,164
Vera M Linn Cemetery					
Memorial Fund	5,000	-	5,000	874	4,126
Park Trust	17,500	-	17,500	7,871	9,629
Argonia Daze	-	3,943	3,943	695	3,248
Cemetery Building	-	-	-	-	-
Debt Service Funds:					
Bond & Interest	59,196	-	59,196	37,420	21,776
Enterprise Funds:					
Water and Sewer Utility	320,000	-	320,000	154,474	165,526
Gas Utility	331,100	-	331,100	201,455	129,645
Ambulance	63,962	-	63,962	55,174	8,788
Cemetery	20,200	-	20,200	6,336	13,864
Solid Waste Utility	70,000	-	70,000	49,096	20,904
Total primary government	<u>1,242,522</u>	<u>3,943</u>	<u>1,246,465</u>	<u>755,867</u>	<u>490,598</u>

***City of Argonia, Kansas*****General Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		
	2010			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/</u> <u>(Unfavorable)</u>
<u>Cash Receipts and Transfers</u>				
Taxes and Shared Revenue:				
Ad valorem property tax	\$ 96,749	\$ 96,759	\$ 100,250	\$ (3,491)
Delinquent taxes	3,464	8,201	-	8,201
Motor vehicle tax	19,114	22,733	21,238	1,495
Recreational vehicle & 16/20M tax	692	801	792	9
Special assessments	-	600	-	600
Local sales tax	25,882	32,066	30,000	2,066
Franchise taxes	18,636	20,839	22,000	(1,161)
Sumner County Road & Bridge	6,000	6,000	6,000	-
Licenses, fines and permits:				
Licenses and permits	1,066	1,443	500	943
Fines and court fees	1,378	1,464	500	964
Interest earnings	3,560	1,867	4,500	(2,633)
Other revenues:				
Swimming pool revenue	13,299	12,114	13,400	(1,286)
Miscellaneous revenues	2,047	4,319	-	4,319
Other grants	-	-	-	-
Streets & parks	27	1,872	-	1,872
Operating transfers in	-	-	-	-
Total receipts and operating transfers	<u>\$ 191,914</u>	<u>\$ 211,078</u>	<u>\$ 199,180</u>	<u>\$ 11,898</u>

**City of Argonia, Kansas**  
**General Fund**

Schedule 2-1

Page 2

**Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget**

*Years Ended December 31, 2011 and 2010*

		2011		Variance-
	2010			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)
<u>Expenditures and Transfers Subject to Budget</u>				
Administration				
Personal services	\$ 31,985	\$ 34,003	\$ 35,000	\$ 997
Employee benefits	8,758	7,619	9,000	1,381
Contractual	13,938	14,327	12,000	(2,327)
Commodities	2,552	5,441	3,000	(2,441)
Capital outlay	1,284	-	1,000	1,000
Police				
Personal services	39,947	39,134	46,000	6,866
Employee benefits	7,481	5,960	7,400	1,440
Contractual	8,436	7,663	8,000	337
Commodities	6,105	3,469	8,000	4,531
Capital outlay	7,341		1,000	1,000
Fire				
Contractual	5,311	4,494	6,000	1,506
Commodities	1,164	4,103	3,000	(1,103)
Capital outlay	-	550	-	(550)
Memorial Expense	1,192	-	-	-
Street and Park				
Contractual	35,917	15,057	20,000	4,943
Commodities	13,914	17,986	12,000	(5,986)
Capital outlay	11,448	6,654	4,000	(2,654)
Pool				
Personal services	11,778	11,180	10,000	(1,180)
Employee benefits	1,134	858	1,000	142
Contractual	5,756	5,496	7,000	1,504
Commodities	9,771	11,450	15,000	3,550
Capital outlay	-	-	-	-
Non-departmental				
Capital outlay-equipment	-	-	80,850	80,850
Revitalization rebates	-	8,773	4,895	(3,878)
Operating transfers to Equipment Reserve	-	-	10,000	10,000
Operating transfers to Capital Improvement	-	-		-
Adjustment for qualifying budget credits	-	-	-	-
Total expenditures and transfers subject to budget	\$ 225,212	\$ 204,217	\$ 304,145	\$ 99,928
Revenue over (under) expenditures	\$ (33,298)	\$ 6,861		
Unencumbered cash balance, beginning	104,455	71,157		
Unencumbered cash balance, ending	\$ 71,157	\$ 78,018		

*See accompanying Independent Auditor's Report*

**City of Argonia, Kansas**

Special Revenue Fund

**Special Highway Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		<u>2011</u>		Variance-
	<u>2010</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
State payments	\$ 12,622	\$ 12,644	\$ 13,060	\$ (416)
				-
Total receipts and transfers	\$ 12,622	\$ 12,644	\$ 13,060	\$ (416)
<u>Expenditures and Transfers Subject to Budget</u>				
Contractual Services	\$ -	\$ -	\$ -	\$ -
Commodities	-	-	5,000	5,000
Capital outlay	-	-	16,419	16,419
Street Repair and Maint	-	38,255	30,000	(8,255)
Total expenditures and transfers subject to budget	\$ -	\$ 38,255	\$ 51,419	\$ 13,164
Revenue over (under) expenditures	\$ 12,622	\$ (25,611)		
Unencumbered cash balance, beginning	31,889	44,511		
Unencumbered cash balance, ending	\$ 44,511	\$ 18,900		

***City of Argonia, Kansas***  
Special Revenue Fund  
**Equipment Reserve Fund**  
**Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual**  
*Years Ended December 31, 2011 and 2010*

	2010 <u>Actual</u>	2011 <u>Actual</u>
<u>Cash Receipts and Transfers</u>		
Operating transfer from:		
General fund	\$ -	\$ -
Ambulance Fund	-	-
Solid waste fund	<u>20,000</u>	<u>5,000</u>
 Total receipts and transfers	 <u>\$ 20,000</u>	 <u>\$ 5,000</u>
 <u>Expenditures and Transfers</u>		
Capital outlay:	-	4,315
Police:	-	12,897
Street Repair & Maintenance	<u>-</u>	<u>26,012</u>
 Total expenditures and transfers	 <u>\$ -</u>	 <u>\$ 43,224</u>
 Revenue over (under) expenditures	 \$ 20,000	 \$ (38,224)
 Unencumbered cash balance, beginning	 <u>93,368</u>	 <u>113,368</u>
 Unencumbered cash balance, ending	 <u>\$ 113,368</u>	 <u>\$ 75,144</u>

***City of Argonia, Kansas***  
Special Revenue Fund  
**Vera M. Linn Cemetery Memorial Fund**  
**Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget**  
*Years Ended December 31, 2011 and 2010*

		<u>2011</u>		
	<u>2010</u>	<u>Actual</u>	<u>Budget</u>	Variance- Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
Interest	\$ 1,224	\$ 874	\$ 5,000	\$ (4,126)
<u>Expenditures and Transfers</u>				
Cemetery Maintenance	\$ -	\$ -	\$ -	\$ -
Operating transfer to:				
Cemetery Fund	<u>1,224</u>	<u>874</u>	<u>5,000</u>	<u>4,126</u>
Total expenditures and transfers	\$ <u>1,224</u>	\$ <u>874</u>	\$ <u>5,000</u>	\$ <u>4,126</u>
Revenue over (under) expenditures	\$ -	\$ -		
Unencumbered cash balance, beginning	<u>70,054</u>	<u>70,054</u>		
Unencumbered cash balance, ending	<u>\$ 70,054</u>	<u>\$ 70,054</u>		

**City of Argonia, Kansas**

## Special Revenue Fund

**Park Trust Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		Variance-
	2010	Actual	Budget	Favorable/ (Unfavorable)
	<u>Actual</u>			
<u>Cash Receipts and Transfers</u>				
Contributions	\$ 245	\$ 605	\$ 2,000	\$ (1,395)
Fees	5,752	8,021	10,000	(1,979)
FEMA Grant	-	-	-	-
Other	70	-	-	-
	<u>6,067</u>	<u>8,626</u>	<u>12,000</u>	<u>(3,374)</u>
Total receipts and transfers	\$ 6,067	\$ 8,626	\$ 12,000	\$ (3,374)
<u>Expenditures and Transfers</u>				
Salaries	\$ -	\$ -	\$ 2,000	\$ 2,000
Employee Benefits	-	-	-	-
Contractual services	3,040	4,045	6,000	1,955
Commodities	3,105	3,736	5,000	1,264
Capital Outlay	-	-	4,500	4,500
Other	60	90	-	(90)
Total expenditures and transfers	\$ 6,205	\$ 7,871	\$ 17,500	\$ 7,629
Revenue over (under) expenditures	\$ (138)	\$ 755		
Unencumbered cash balance, beginning	<u>5,549</u>	<u>5,411</u>		
Unencumbered cash balance, ending	<u>\$ 5,411</u>	<u>\$ 6,166</u>		

***City of Argonia, Kansas***  
Special Revenue Fund  
**Cemetery Building Fund**  
**Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget**  
*Years Ended December 31, 2011 and 2010*

	2010	2011
<u>Cash Receipts and Transfers</u>	<u>Actual</u>	<u>Actual</u>
Contributions	\$ -	\$ -
Interest	<u>10</u>	<u>11</u>
 Total receipts and transfers	 <u>\$ 10</u>	 <u>\$ 11</u>
 <u>Expenditures and Transfers</u>		
Supplies, repairs, equipment	<u>\$ -</u>	<u>\$ -</u>
 Total expenditures and transfers	 <u>\$ -</u>	 <u>\$ -</u>
 Revenue over (under) expenditures	 \$ 10	 \$ 11
 Unencumbered cash balance, beginning	 <u>2,302</u>	 <u>2,312</u>
 Unencumbered cash balance, ending	 <u>\$ 2,312</u>	 <u>\$ 2,323</u>



***City of Argonia, Kansas***

Special Revenue Fund

**Argonia Daze Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		<u>2011</u>		Variance-
	<u>2010</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
Transfer from General Fund	\$ -	\$ 500	\$ -	\$ 500
Program Reciepts	-	<u>3,943</u>	-	<u>3,943</u>
				-
Total receipts and transfers	\$ -	\$ <u>4,443</u>	\$ -	\$ <u>4,443</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Program Expenses	\$ -	\$ 695	\$ -	\$ (695)
Adjustment for qualifying budget credits	-	-	<u>3,943</u>	<u>3,943</u>
Total expenditures and transfers subject to budget	\$ -	\$ <u>695</u>	\$ <u>3,943</u>	\$ <u>3,248</u>
Revenue over (under) expenditures	\$ -	\$ 3,748		
Unencumbered cash balance, beginning	-	-		
Unencumbered cash balance, ending	\$ -	\$ <u>3,748</u>		

**City of Argonia, Kansas**

## Debt Service Fund

**Bond & Interest Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		
	2010			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
Ad valorem property tax	\$ 13,463	\$ 13,486	\$ 13,972	\$ (486)
Delinquent taxes	633	1,500	-	1,500
Motor vehicle tax	2,568	3,217	2,952	265
Recreational vehicle & 16/20M tax	89	116	110	6
Transfer from Water & Sewer fund	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total receipts and transfers	<u>\$ 36,753</u>	<u>\$ 38,319</u>	<u>\$ 37,034</u>	<u>\$ 1,285</u>
<u>Expenditures and Transfers</u>				
Interest on bonds	\$ 16,818	\$ 16,198	\$ 16,198	\$ -
Principal on bonds	20,000	20,000	20,000	-
Fees	1	1	100	99
Cash basis reserve	-	-	22,220	22,220
Revitalization rebates	<u>-</u>	<u>1,221</u>	<u>678</u>	<u>(543)</u>
Total expenditures and transfers	<u>\$ 36,819</u>	<u>\$ 37,420</u>	<u>\$ 59,196</u>	<u>\$ 21,776</u>
Revenue over (under) expenditures	\$ (66)	\$ 899		
Unencumbered cash balance, beginning	<u>22,119</u>	<u>22,053</u>		
Unencumbered cash balance, ending	<u>\$ 22,053</u>	<u>\$ 22,952</u>		

***City of Argonia, Kansas***  
 Capital Project Fund  
**Capital Improvement Fund**  
**Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual**  
*Years Ended December 31, 2011 and 2010*

	2010 <u>Actual</u>	2011 <u>Actual</u>
<u>Cash Receipts and Transfers</u>		
Operating transfer from:		
Water and sewer fund	\$ 30,000	\$ -
Gas fund	-	-
General fund	-	-
Solid waste fund	<u>10,000</u>	<u>5,000</u>
Total receipts and transfers	<u>\$ 40,000</u>	<u>\$ 5,000</u>
 <u>Expenditures and Transfers</u>		
Capital improvements	<u>\$ -</u>	<u>\$ -</u>
Total expenditures and transfers	<u>\$ -</u>	<u>\$ -</u>
 Revenue over (under) expenditures	\$ 40,000	\$ 5,000
 Unencumbered cash balance, beginning	<u>24,178</u>	<u>64,178</u>
 Unencumbered cash balance, ending	<u>\$ 64,178</u>	<u>\$ 69,178</u>

***City of Argonia, Kansas***  
**Capital Project Fund**  
**Sewer Improvement Fund**  
**Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual**  
*Years Ended December 31, 2011 and 2010*

	2010 <u>Actual</u>	2011 <u>Actual</u>
<u>Cash Receipts</u>		
State of Kansas Revolving Loan Fund	\$ -	\$ 134,087
Other	<u>-</u>	<u>8</u>
Total receipts and transfers	<u>\$ -</u>	<u>\$ 134,095</u>
<u>Expenditures and Transfers</u>		
Administration	\$ -	\$ 2,000
Engineering Expense	-	103,220
Capitalized Interest Expense	<u>-</u>	<u>180</u>
Total expenditures and transfers	<u>\$ -</u>	<u>\$ 105,400</u>
Revenue over (under) expenditures	\$ -	\$ 28,695
Unencumbered cash balance, beginning	<u>-</u>	<u>-</u>
Unencumbered cash balance, ending	<u><u>\$ -</u></u>	<u><u>\$ 28,695</u></u>

**City of Argonia, Kansas**

## Enterprise Funds

**Water and Sewer Utility Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		
	2010			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
Water sales	\$ 123,546	\$ 142,277	\$ 149,220	\$ (6,943)
Sewer sales	51,382	72,565	78,700	(6,135)
Other revenue	7,181	3,438		3,438
Interest earnings	-	-	-	-
Reimbursement From Sewer Improvement	-	77,266	-	77,266
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total receipts and transfers	\$ 182,109	\$ 295,546	\$ 227,920	\$ (9,640)
<u>Expenditures and Transfers Subject to Budget</u>				
Administration				
Personal services	\$ 6,816	\$ 6,047	\$ 7,500	\$ 1,453
Employee benefits	3,635	2,531	3,500	969
Contractual services	6,118	5,010	6,000	990
Commodities	2,010	1,295	3,000	1,705
Capital outlay	-	-	-	-
Water Utility Deposit Refund	100	20	500	480
Construction & Engineering		31,598	132,500	100,902
Production and distribution				
Personal services	38,347	39,890	42,000	2,110
Employee benefits	10,161	8,579	8,000	(579)
Contractual services	90,122	25,889	25,000	(889)
Commodities	14,504	11,954	12,000	46
Capital outlay	24,975	1,661	60,000	58,339
Operating transfers				
Capital improvement fund	30,000	-	-	-
Bond and Interest fund	20,000	20,000	20,000	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenditures and transfers subject to budget	\$ 246,788	\$ 154,474	\$ 320,000	\$ 165,526
Revenue over (under) expenditures	\$ (64,679)	\$ 141,072		
Unencumbered cash balance, beginning	149,851	85,172		
	<u>          </u>	<u>          </u>		
Unencumbered cash balance, ending	\$ 85,172	\$ 226,244		
	<u>          </u>	<u>          </u>		

**City of Argonia, Kansas**

## Enterprise Funds

**Gas Utility Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		
	2010			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
Gas sales	\$ 219,372	\$ 195,823	\$ 300,000	\$ (104,177)
Refund from gas company	-	14	-	14
Deposits	4,080	1,550	1,500	50
Other revenue	760	25	-	25
Interest earnings	207	254	500	(246)
Total receipts and transfers	<u>\$ 224,419</u>	<u>\$ 197,666</u>	<u>\$ 302,000</u>	<u>\$ (104,334)</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Administration				
Personal services	\$ 6,816	\$ 6,047	\$ 7,500	\$ 1,453
Employee benefits	3,320	2,531	3,500	969
Contractual services	6,254	5,780	10,000	4,220
Commodities	2,180	1,514	4,000	2,486
Capital outlay	-	-	-	-
Distribution				
Personal services	38,347	39,890	42,000	2,110
Employee benefits	10,475	8,676	8,000	(676)
Contractual services	16,611	12,628	20,000	7,372
Commodities	8,401	5,011	10,000	4,989
Capital outlay	24,524	1,164	10,000	8,836
Gas Utility Deposit Refund	1,536	408	1,100	692
Gas purchases	109,849	117,806	215,000	97,194
Operating transfers				
General fund	-	-	-	-
Capital improvement fund	-	-	-	-
Equipment reserve fund	-	-	-	-
Total expenditures and transfers subject to budget	<u>\$ 228,313</u>	<u>\$ 201,455</u>	<u>\$ 331,100</u>	<u>\$ 129,645</u>
Revenue over (under) expenditures	\$ (3,894)	\$ (3,789)		
Unencumbered cash balance, beginning	<u>67,648</u>	<u>63,754</u>		
Unencumbered cash balance, ending	<u>\$ 63,754</u>	<u>\$ 59,965</u>		

**City of Argonia, Kansas**

## Enterprise Funds

**Ambulance Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		
	2010			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/ (Unfavorable)</u>
<u>Cash Receipts and Transfers</u>				
Patient collections	\$ 16,188	\$ 22,642	\$ 23,000	\$ (358)
State grant	-	-	-	-
Sumner County subsidy	6,702	20,067	12,000	8,067
Contributions	443	325	1,500	(1,175)
Refund of Insurance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts and transfers	<u>\$ 23,333</u>	<u>\$ 43,034</u>	<u>\$ 36,500</u>	<u>\$ 6,534</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Personal services	\$ -	\$ 25,541	\$ -	(25,541)
Employee benefits	-	2,933	-	(2,933)
Contractual services	11,399	16,687	11,981	(4,706)
Commodities	11,886	7,773	11,981	4,208
Capital outlay	-	-	-	-
On Call	3,500	2,240	20,000	17,760
Transfer to Equipment Reserve	<u>2,000</u>	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total expenditures and transfers subject to budget	<u>\$ 28,785</u>	<u>\$ 55,174</u>	<u>\$ 63,962</u>	<u>\$ 17,262</u>
Revenue over (under) expenditures	\$ (5,452)	\$ (12,140)		
Unencumbered cash balance, beginning	<u>26,962</u>	<u>21,510</u>		
Unencumbered cash balance, ending	<u>\$ 21,510</u>	<u>\$ 9,370</u>		

**City of Argonia, Kansas**

Enterprise Funds

**Cemetery Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		
	2010			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
Sale of lots and services	\$ 3,800	\$ 6,950	\$ 5,800	\$ 1,150
Farm income	4,171	5,048	3,000	2,048
Hangar lease	1,200	600	1,500	(900)
Other	200	275	-	275
Donations	100	415	500	(85)
Interest earnings	29	36	-	36
Operating Transfer from Vera Linn Endowment	<u>1,224</u>	<u>874</u>	<u>5,000</u>	<u>(4,126)</u>
Total receipts and transfers	<u>\$ 10,724</u>	<u>\$ 14,198</u>	<u>\$ 15,800</u>	<u>\$ (1,602)</u>
<u>Expenditures and Transfers Subject to Budget</u>				
Personal services	\$ -	\$ -	\$ 10,000	\$ 10,000
Employee benefits	-	-	1,200	1,200
Contractual services	3,297	3,474	4,500	1,026
Commodities	952	2,862	4,500	1,638
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures and transfers subject to budget	<u>\$ 4,249</u>	<u>\$ 6,336</u>	<u>\$ 20,200</u>	<u>\$ 13,864</u>
Revenue over (under) expenditures	\$ 6,475	\$ 7,862		
Unencumbered cash balance, beginning	<u>4,576</u>	<u>11,051</u>		
Unencumbered cash balance, ending	<u>\$ 11,051</u>	<u>\$ 18,913</u>		



**City of Argonia, Kansas**

Enterprise Funds

**Solid Waste Fund****Schedule of Cash Receipts and Expenditures (Statutory Basis)-Actual and Budget***Years Ended December 31, 2011 and 2010*

		2011		
	2010			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts and Transfers</u>				
Trash pick up service	\$ 44,517	\$ 43,916	\$ 45,500	\$ (1,584)
Recycling income	676	1,060	-	1,060
Other	-	-	-	-
Interest earnings	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total receipts and transfers	\$ 45,193	\$ 44,976	\$ 45,500	\$ (524)
<u>Expenditures and Transfers Subject to Budget</u>				
Contractual services	\$ 37,596	\$ 39,058	\$ 41,000	\$ 1,942
Commodities	461	38	3,000	\$ 2,962
Capital outlay	-	-	-	-
Operating Transfer to General	-	-	-	-
Operating Transfer to Capital Improvement	10,000	5,000	13,000	8,000
Operating Transfer to Equip. Reserve	20,000	5,000	13,000	8,000
	<u>20,000</u>	<u>5,000</u>	<u>13,000</u>	<u>8,000</u>
Total expenditures and transfers subject to budget	\$ 68,057	\$ 49,096	\$ 70,000	\$ 20,904
Revenue over (under) expenditures	\$ (22,864)	\$ (4,120)		
Unencumbered cash balance, beginning	<u>30,839</u>	<u>7,975</u>		
Unencumbered cash balance, ending	<u>\$ 7,975</u>	<u>\$ 3,855</u>		